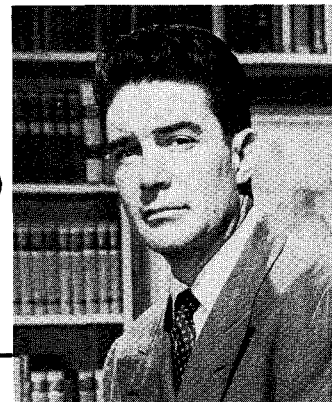


THE *Dan Smoot Report*



Vol. 8, No. 2 (Broadcast 335)

January 8, 1962

Dallas, Texas

DAN SMOOT

ECONOMIC SURRENDER—PART II

The late Senator George Malone believed that there is a pincers movement to destroy America — by making the American people so subject to foreign control, and so dependent on foreign economic and political decisions, that Americans will surrender their national independence and accept membership in a world-wide socialist dictatorship called World Government.

As Senator Malone expressed it, the pincers movement was in two parts: political and economic. But in the past few years, we have seen the movement (to surrender American independence) develop a *third* prong, or thrust, in the military field: see this *Report*, December 11, 1961, "Strategic Surrender."

The political thrust generates propaganda to the effect that, in the shrunken world of this century, war threatens to annihilate mankind and that the only way to prohibit war is to subject all nations to an overriding international authority (World Government) which will make all nations behave.

In the military field, the technique is to entangle American defense with world-wide defense, until the United States literally cannot defend herself without the help and cooperation of allies. When we reach the point of dependency on foreign nations, then the American public can be led to accept the idea that we must surrender our armed forces to international control. Washington officialdom is already promoting schemes for such military surrender.

In the economic field, the technique is to make America dependent on foreign sources of supply for critical materials and to make us so subject to foreign political-economic decisions that we will be forced to surrender control over our trade and commerce to an international authority (World Government) which can regulate the trade of the world.

The program of American economic surrender will be a major political issue of 1962.

THE DAN SMOOT REPORT, a magazine published every week by The Dan Smoot Report, Inc., mailing address P.O. Box 9538, Lakewood Station, Dallas 14, Texas, Telephone TAYlor 4-8683 (Office Address 6441 Gaston Avenue). Subscription rates: \$10.00 a year, \$6.00 for 6 months, \$3.00 for 3 months, \$18.00 for two years. For first class mail \$12.00 a year; by airmail (including APO and FPO) \$14.00 a year. Reprints of specific issues: 1 copy for 25¢; 6 for \$1.00; 50 for \$5.50; 100 for \$10.00 — each price for bulk mailing to one person. Add 2% sales tax on all orders originating in Texas for Texas delivery.

Copyright by Dan Smoot, 1962. Second class mail privilege authorized at Dallas, Texas.
No reproductions permitted.

Before the end of 1961, America's internationalists were already mounting a mighty propaganda offensive to support President Kennedy's demands for absolute power to abolish tariffs and regulate American foreign trade as he sees fit.

The President claims that he wants to promote "free trade"; but he is actually trying to pull our nation further backward toward the old-world concept of absolute-government—namely, that trade (instead of being a free and competitive activity among individuals) is a political weapon for government to use.

Attempts to do what President Kennedy now proposes, have been continuous and relentless since the beginning of our nation.

As soon as America won her political independence from England in 1783, the political powers of Europe set out to capture our markets and make us economically dependent on the old world.

In their Constitution, the American people entrusted to Congress—not to the President or to any other agency—the protection of their liberty and sovereignty. Congress kept trade free within the States; and the people, unhampered by government, quickly built the free American market into the greatest in the world.

It was not a question of individual Europeans or of European businessmen trying to out-trade Americans. In the old nations of the world, foreign trade was considered a political instrumentality—a means by which political authority (that is, government) could jockey for advantage and control. In America, trade—foreign as well as domestic—was an individual enterprise.

Congress set up our "protective tariff" system at the beginning of our national life, not to protect our businesses from the rigors of normal competition, but to protect our whole economy from the political-economic warfare being waged against it by foreign governments.

Reciprocal Trade Program

The Trade Agreements Act of 1934 abandoned this American system and adopted the European politico-economic theory: namely, that the business and enterprise of individuals must be controlled and manipulated to promote the policies of government. Government would help individuals expand their foreign markets. Government would negotiate the terms of foreign trade.

The Act of 1934 gave to the executive branch of government the power to regulate our foreign commerce—a power which the Constitution had been very careful to give exclusively to Congress.

Thus, with the Trade Agreements Act of 1934, we took a great step backwards into the age-old practices of Europe—taking sovereignty and power away from the people and giving it to government.

Some say that Congress merely "delegated" this function to the executive. Why? The Constitution gives Congress no right or power to delegate its constitutional responsibilities to someone else. The elected representatives of the people in 1934 abdicated, and their power passed into the hands of nameless appointed bureaucrats in the executive branch who are never subject to election or other control by the people.

Framers of the Constitution had learned from history that a people cannot be free if they trust *any* executive power. That is why the framers entrusted the tariff power—and all of the other essential powers of the federal government—to the legislative branch.

Supporters of the 1934 Trade Agreements Act proclaimed it as "progressive" and "modern," designed to meet the needs of the "modern world." But the Act was reactionary, a reversion to the age-old theory of the supremacy of executive government.

Why was this reactionary step taken? America was the only nation on earth where people, and not executive government, had sovereign power. Hence, America could not be absorbed into the great one-world socialist state until her political structure was brought in line with the old political philosophies of Europe. The President must be given unlimited power so that he could meet and deal with the rulers of other nations on an equal basis—that is, with as much sovereign power over the American people as other rulers had over theirs.

Always before, it had been impossible for an American President (or his representative) to meet with foreign rulers and barter away markets, or anything else, belonging to the American people. Hence, he couldn't make international deals attractive to foreign powers. The Constitution protected American citizens against such bartering on the part of their executive—and it set the Congress up as watchdog for the people.

The Trade Agreements Act of 1934 was one of the first major steps toward giving the President power to trade the rights and property and liberty of American citizens for imagined political gains in the age-old game of international politics.

The Trade Agreements Act of 1934 was supposed to last only three years; but every time it was ready to expire, Congress extended it for another three years. This happened in 1937, 1940, 1943, 1946, 1949, 1952, and 1955. In 1958, President Eisenhower asked for a five-year extension. Congress compromised by extending the Act for four years. Hence, the Trade Agreements Act is due to expire in June, 1962.

This year, President Kennedy is not asking for an extension. He is asking Congress to let The Trade Agreements Act die and to replace it with an Act empowering the President to do anything he pleases with regard to tariffs.

The theory of the 1934 Trade Agreements Act was that the executive branch of government could negotiate tariff reductions on specific commodities with foreign nations. All of the tariff changes were supposed to be reciprocal: that is, if a foreign nation reduced its tariff against some particular commodity which we exported, we would reduce our tariff on the same commodity when imported from that nation. The program never did work reciprocally for the United States. Our government would reduce American tariffs against specific commodities from a foreign nation in exchange for a "reciprocal" reduction. But the foreign nation would exclude American goods by erecting *other* barriers not called tariffs.

President Kennedy now says that he is handicapped by the necessity of negotiating item-by-item reductions. He wants uncontrolled power to abolish, or reduce, *all* American tariffs at once (or *all* that he wants to abolish). And he wants authority to subsidize (out of the federal treasury) any American workers, or industries, which he thinks may be hurt by such tariff changes.

Objective: International Control

The real importance of the old Trade Agreements Act cannot be measured by the tariff changes which it has caused, but by the revolutionary alteration in our concepts of government which the Act 'authorized.'

Since the Trade Agreements Act of 1934 was passed, the American executive has been given (or has assumed) the power to meet with foreign executives whenever he chooses and to work out whatever deals he wants, without regard to the Constitution.

Many deals which the American executive now presumes to make are not even submitted to the Senate for approval as treaties. These deals are known as Executive Agreements. According to the one-world internationalist theory that our executive must be free to nego-

tiate whenever and whatever he likes with foreign powers, these Executive Agreements are also binding on our citizens as "Law of the Land," although the legal lawmakers for the whole American people—the U. S. Representatives and Senators—had no hand in the agreements and don't even know what they are. More than 10,000 such Executive Agreements are now in effect.

Operating under the newly-adopted old-world theory that our national executive must be free to act, on an 'equal footing,' with other national executives, communists and socialists inside the American government began, prior to World War II, making specific plans for reducing America to economic dependence on foreign nations.

Among these planners were such people as Alger Hiss, Frank Coe, Harold Glasser, Nathan Gregory Silvermaster, John Abt, Hal Ware, Harry Dexter White, Lauchlin Currie—all of whom have since been proven to be communist agents or have taken the Fifth Amendment and refused to answer when asked whether they were communist agents.

All of these particular known communists are now out of government service, but there has been no change in American foreign and economic policy since they left.

The communist schemers got us ensnared in their United Nations spiderweb before they were exposed and removed from their government jobs. Hence, the policies they set—their blueprint for a socialist America in a socialist one-world—are still being followed.

Lend Lease during World War II (as well as Point Four and foreign aid after the war) promoted socialism by draining off American wealth and giving it to socialist governments abroad; but these projects have never been wholly satisfactory to the socialists, because they are, after all, under American control.

Socialists and communists want one powerful international agency—in which Amer-

ica will have only one vote—to control all tariffs, international trade, industrial production, and distribution of raw materials.

The first real step toward such an agency was made in November, 1945, when our State Department submitted a set of proposals (based on an old memorandum of Harry Dexter White, a communist espionage agent) which added up to a total program of international socialism: abolition of all tariffs, setting aside of United States anti-trust laws, establishment of world-wide government monopolies, and instituting world full-employment schemes—all of these programs to be planned, supervised, and enforced by the UN; to be paid for according to the usual United Nations-Marxian formula of making the heaviest assessments on the nation with the greatest ability to pay—the United States.

These proposals set off a whole series of international conferences on trade and employment.

The most important one was held at Geneva in the spring and summer of 1947. Out of this Geneva conference came GATT—the General Agreement on Tariffs and Trade—which tries to set tariff and trade policies for all nations.

Congress refused to authorize American participation in GATT; but President Truman (and later Eisenhower) managed to bypass Congress and get us involved in GATT under executive agreements.

Thus, the responsibility of regulating American foreign commerce—which Congress had illegally passed on to the President in 1934—was now handed to GATT, an international organization composed of 36 nations.

It is true that GATT has no enforcement powers. It can merely recommend. But ever since we joined the United Nations in 1945, our government has treated most "recommendations" of UN organizations as if they were

binding agreements. Hence, GATT recommendations have generally had, in the United States, the force of formal treaty agreements.

Moreover, GATT has served as a framework for, and a stepping stone toward, the kind of international agency that socialists and communists really want.

For example, at a UN conference in Havana, in November, 1947, the charter for the International Trade Organization was born.

ITO would have placed American agriculture and all major American industries at the mercy of United Nations personnel who would have had the power to set production quotas and regulate distribution of essential raw materials all over the world—except, of course, in communist countries.

In April, 1949, President Truman duly submitted the ITO charter to Congress for approval. Congress rejected the thing.

But that didn't end the ITO scheme.

In December, 1950, Truman's State Department by-passed Congress again and organized the International Materials Conference—whose purpose was frankly expressed in a State Department paper:

"The United States is initiating steps toward international control over certain materials produced and consumed globally."

The International Materials Conference established allocations of raw materials—decided what and how much raw material America would be *permitted* to get from abroad.

What was the result? Depletion of strategic stockpiles, scarcity in the United States of such critical materials as copper, at a time when American copper mines were lying idle; cutbacks in essential military production; and shortages of ammunition and military supplies for our soldiers in Korea.

IMC went out of existence in December,

1953. But in March, 1955, GATT (under the leadership of the American State Department) proposed OTC—Organization for Trade Cooperation; and in April, 1955, President Eisenhower sent a special message strongly urging Congress to approve American membership in OTC. With strong backing from the public, Congress refused.

In January, 1956, Eisenhower sent another strong, special message to Congress urging approval of American membership in OTC—saying, indeed, that our membership was "absolutely essential" to the welfare and security and prosperity of America! Again with strong public support, Congress refused. Eisenhower tried again, unsuccessfully, in 1957 and 1958.

The Organization for Trade Cooperation was supposed to be very clever. It embraced all major purposes of the old ITO—that is, it would have been an international organization in control of the foreign commerce of all nations which joined it. Its "cleverness" lay in the fact that our State Department had omitted the enforcement provisions which had made the old ITO scheme repugnant to Congress. The OTC could recommend and make decisions, but could force no nation to obey—except by bringing "the pressure of world opinion to bear."

Our State Department officials knew that this "pressure" would be quite enough to justify them in doing anything OTC wanted done. Congress and the people realized that too; and that's why Congress rejected our membership in the thing, four years in a row (1955-1958) in the face of Eisenhower's "prestige" and "popularity"—and in the face of his pleas and threats that our nation was doomed if we didn't join OTC.

Finally giving up on the OTC scheme, the Eisenhower Administration turned its attention to working out OECD (Organization for Economic Cooperation and Development).

On December 14, 1960, representatives of 20 nations, meeting at Paris, signed a convention, or treaty, creating the Organization for Economic Cooperation and Development. Douglas Dillon (then Under-Secretary of State, now Secretary of the Treasury in the Kennedy Administration) signed for the United States.

The United States could not legally become a member until the Senate approved; but on January 30, 1961, President Kennedy, in his State of the Union message, spoke of American membership in the OECD as an already-accomplished fact, although the Senate had not yet had a chance even to study the treaty.

On March 16, 1961, the United States Senate dutifully ratified the OECD Treaty; and an old dream of the international socialists came true: the United States was, at last, formally a member of an international organization designed ultimately to control the economic and trade policies of all member nations.

OECD is supposed to be clever in the same way that the old Organization for Trade Cooperation scheme was. For example, newspaper reports about it (based on State Department handouts) proclaim that the charter of OECD represents a "victory" for the United States over European nations, which had wanted the OECD to *bind* member nations to *coordinate* their economic and trade and foreign aid policies. But the American negotiators, in "hard-bargaining" sessions, had held out for a *co-operative* arrangement in which nations would *pledge*, rather than *bind*, themselves to follow all decisions of OECD, and in which no member nation could be *forced* (except, again, by the "pressure of world opinion") to obey any decision of the organization!

Despite the fuzzy and windy language, however, the OECD agreement has all the objectionable features of the late ITO and OTC schemes—plus one other: the OECD incorporates, as the others did not, a scheme

to make American foreign aid a permanent feature of our policy and to channel it through an international agency over which the Congress and the people of the United States will have no control—although they will pay practically all of the cost.

* * * * *

The Final Step

President Kennedy's tariff-and-trade proposals for 1962 represent the final step toward American economic surrender. If the President is given the 'authority' he requests, he will, before his first term ends, try to merge the economy of America with that of the European Common Market. He will either by-pass Congress and accomplish this final act of economic surrender by "executive agreement" with European nations—or, he will initiate another massive propaganda campaign to persuade Congress to "authorize," and the American people to accept, such a merger.

Congress *should* let the Trade Agreements Program die in June, 1962, when the Act expires; *but Congress should not replace it with the new tariff law that President Kennedy wants.*

Subsequently, we will give details on the harm that our government's foreign trade programs have already done to our nation; we will give some specifics on the disaster which must inevitably befall our nation if the President's trade-and-tariff program is adopted; and we will outline the kind of legislation which we think should replace the Trade Agreements Act.

The American people should begin now to acquaint themselves with this subject and to let their elected representatives know what the *people*—as distinguished from the *President*—want.

* * * * *

Footnotes On Honoria

In the December 4, 1961, issue of this *Report*, we published "Honoria," an article by

Taylor Caldwell, setting out several remarkable resemblances between the history of ancient Rome and the history of the United States.

We have received numerous requests to identify some of the personalities, and places, indicated in "Honorio."

Miss Caldwell mentioned a "prosperous gentleman farmer" who responded to the call of duty and saved Honorio in a time of crisis and became known as "the father of his country." She said that a famous American city is named after him. The ancient Roman to whom she referred was Cincinnatus. The American city named after him is Cincinnati.

The author mentioned "an evil old man, crippled and malformed," who led the nation of Honorio (Rome) into wars and foreign entanglements. She was referring to the Roman emperor Caligula.

She mentioned "an old general, who had been victimized by the government," who "stood up and cried aloud to Honorio to remember her past, to return to honor." She was referring to Mark Anthony.

Miss Caldwell said:

"A Senator dared to stand up in the Senate and cry a halt to foreign subversion of Honorio. . . . Other senators shrieked him down."

She was referring to Cicero.

Miss Caldwell mentioned a great rock in "Honorio," comparable to Plymouth Rock in American history. She was referring to the rock which became the foundation of the Temple of Jupiter in Ancient Rome.

* * * * *

Footnote On Pearl Harbor

In the November 27, 1961, issue of this *Report*, I said that the Japanese attack on Pearl Harbor on December 7, 1941, cost us "the lives of 4,525 American servicemen."

That is not an accurate statement. Casualties at Pearl Harbor totaled 4,525. Of these, 3,303 were killed; 1,272 were wounded.

* * * * *

Now We Know!

Almost every week we receive a letter from some subscriber, complaining that the last issue of the *Report* was not received.

If several such complaints are received from the same subscriber, we turn the matter over to the postal authorities in Dallas, who have

WHO IS DAN SMOOT?

Dan Smoot was born in Missouri. Reared in Texas, he attended SMU in Dallas, taking BA and MA degrees from that university in 1938 and 1940.

In 1941, he joined the faculty at Harvard as a Teaching Fellow in English, doing graduate work for the degree of Doctor of Philosophy in the field of American Civilization.

In 1942, he took leave of absence from Harvard in order to join the FBI. At the close of the war, he stayed in the FBI, rather than return to Harvard.

He served as an FBI Agent in all parts of the nation, handling all kinds of assignments. But for three and a half years, he worked exclusively on communist investigations in the industrial midwest. For two years following that, he was on FBI headquarters staff in Washington, as an Administrative Assistant to J. Edgar Hoover.

After nine and a half years in the FBI, Smoot resigned to help start the Facts Forum movement in Dallas. As the radio and television commentator for Facts Forum, Smoot, for almost four years spoke to a national audience giving both sides of great controversial issues.

In July, 1955, he resigned and started his own independent program, in order to give only one side — the side that uses fundamental American principles as a yardstick for measuring all important issues.

If you believe that Dan Smoot is providing effective tools for those who want to think and talk and write on the side of freedom, you can help immensely by subscribing, and encouraging others to subscribe, to *The Dan Smoot Report*.

been most helpful in trying to solve such mysteries.

Last week, we received a letter which solved a 'mystery' about one non-delivery of the mail. The writer, a motel owner in Minnesota, said:

"I want to tell you how much my wife and I value your weekly reports. In fact we look forward to them each week and waste no time in reading them aloud so that we can discuss them as we go along. They are wonderful!

"It might be of interest to you that our first knowledge of your reports was through an error by our rural mail carrier, it was opened by mistake and of course after my wife read a few lines, she refused to return it to the carrier. This was the start; and with a three months sample subscription, we plan to continue, not only for ourselves but we have purchased a few hundred extra copies of special reports, sending them out to our many guests and friends. This is one way that we can help the cause of the Super-patriots and we are proud to be listed among them. . . ."

While we sincerely hope that the regular subscriber (who missed his copy of the *Report*

because of this misdirection of the mail) gave us a chance to replace it—we must admit a kindly feeling toward the mailman who accidentally prompted this letter.

If your copy of the *Report* doesn't arrive at some future time—who knows: maybe it will fall into the hands of another super-patriot.

* * * * *

Bound Volume

We have sold out of all Bound Volumes of this *Report* for the years 1955, 1956, 1957, 1958, 1959, and 1960. Bound Volume VII—containing all 52 *Reports* published in 1961—will be off the press in late February. A limited number will be printed, and no reprintings will be possible.

Bound Volume VII (1961) will be bound in maroon fabrikoid, with gold lettering, and will be extensively indexed. All copies will be sold on a first-come-first-paid basis.

Price: \$10.00, postage prepaid, within the United States.

For prices on single and multiple copies of this *Report*, see bottom of the first page. How many people do you know who should read this *Report*?

DAN SMOOT,

P. O. Box 9538, Lakewood Station
Dallas 14, Texas

☐ Renewal ☐ New Subscription

Please enter my subscription for (_____ years) (_____ months) to THE DAN SMOOT REPORT. I enclose \$_____

SUBSCRIPTION RATES

(Add 2% Sales tax if ordered
in Texas for Texas delivery)

Rates: \$10 for 1 year
\$ 6 for six months
\$ 3 for three months
\$12 first class mail
\$14 for air mail
\$18 for 2 years

Inquire for foreign mailing

PRINT NAME

STREET ADDRESS

CITY, ZONE AND STATE